

## **CY 2000 Benefit Accuracy Measurement Program Data Summary**

Based on Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) data for calendar year (CY) 2000, the national overpayment rate was 8.54 percent of UI benefits\* paid, a decrease of 0.66 percentage points from CY 1999. An estimated \$1.72 billion of benefits were overpaid in CY 2000, compared with \$1.80 billion overpaid in CY 1999.

CY 2000 BAM results are based on the 25,859 sample cases completed by April 30, 2001, the date by which all BAM cases should have been completed. This represents a completion rate of over 99.9 percent. The BAM program covered a universe of \$20.175 billion of paid UI, UCFE, and UCX claims in CY 2000, compared with \$19.637 billion in CY 1999.

### **Overpayment Rates**

#### **Highest Overpayment Error Rate States**

<b>State</b>	<b>CY 2000 Overpayment Rate</b>	<b>Change From CY 1999</b>	<b>Leading Cause (Pct. Of Benefits Paid)</b>
Maine	19.85%	-4.62	Other Elig. Iss. (6.94%)
Virginia	17.91%	-1.84	Work Search (9.10%)
Texas	17.45%	-1.46	Work Search (5.92%)
Kansas	17.32%	-2.66	ES Registration (11.72%)
Montana	16.88%	+0.51	ES Registration (9.86%)

#### **Lowest Overpayment Error Rate States**

<b>State</b>	<b>CY 2000 Overpayment Rate</b>	<b>Change From CY 1999</b>	<b>Leading Cause (Pct. Of Benefits Paid)</b>
West Virginia	3.11%	+0.20	Work Search (1.23%)
North Dakota	3.38%	+0.13	Separation Issues (1.76%)
Hawaii	3.75%	-0.34	Work Search (1.09%)
Connecticut	3.88%	+0.07	Ben. Yr. Earnings (2.57%)
Georgia	4.11%	+0.78	Ben. Yr. Earnings (1.82%)

\* References to "UI benefits" include paid State UI, UCFE, and UCX claims in the BAM population.

### Overpayment Rates in the Ten Largest States

State	Amount Paid (In Millions)	OP Rate (Change From CY 1999)	State	Amount Paid (In Millions)	OP Rate (Change From CY 1999)
California	\$2,476.6	5.05% (-0.86)	Texas	\$ 943.4	17.45% (-1.46)
New York	\$1,697.0	5.35% (+0.80)	Michigan	\$ 875.5	10.35% (-0.65)
Pennsylvania	\$1,510.9	6.23% (+0.17)	Washington	\$ 824.8	16.28% (+3.63)
Illinois	\$1,227.3	10.42% (-0.80)	Massachusetts	\$ 790.1	4.39% (-1.06)
New Jersey	\$1,095.2	6.76% (-2.90)	Ohio	\$ 690.6	13.42% (-3.87)

### Changes in Overpayment Rates

In CY 2000, 30 SESAs reported decreases in their overpayment rates from the previous year, and 22 SESAs reported increases in their overpayment rates. Most of the national decrease in the overpayment rate is attributable to decreases in the percentages of UI benefits that were overpaid due to separation and work search issues. The following table shows the cause of UI benefits that were overpaid in CY 2000, and the change from CY 1999.

### Cause of CY 2000 Overpayments – National Data

CY 2000 Overpayment Cause	Percentage of UI Benefits	Change: CY 1999 to 2000
Benefit Year Earnings	2.86%	+0.04
Separation Issues	1.52%	-0.31
Work Search	1.32%	-0.28
Base Period Wage Issues	0.84%	-0.01
ES Registration Issues	0.61%	-0.16
Able & Available	0.61%	+0.02
Other Eligibility Issues	0.43%	+0.16
Dependents and Other Issues	0.35%	-0.11

### Largest Overpayment Error Rate Increases

State	Pct. Point Increase From CY 1999	Leading Cause of Increase (Pct. Point Increase)
Wyoming	5.00	Work Search (+3.13)
Washington	3.63	ES Registration (+2.49)
District of Columbia	2.97	Benefit Year Earnings (+2.90)

### Largest Overpayment Error Rate Decreases

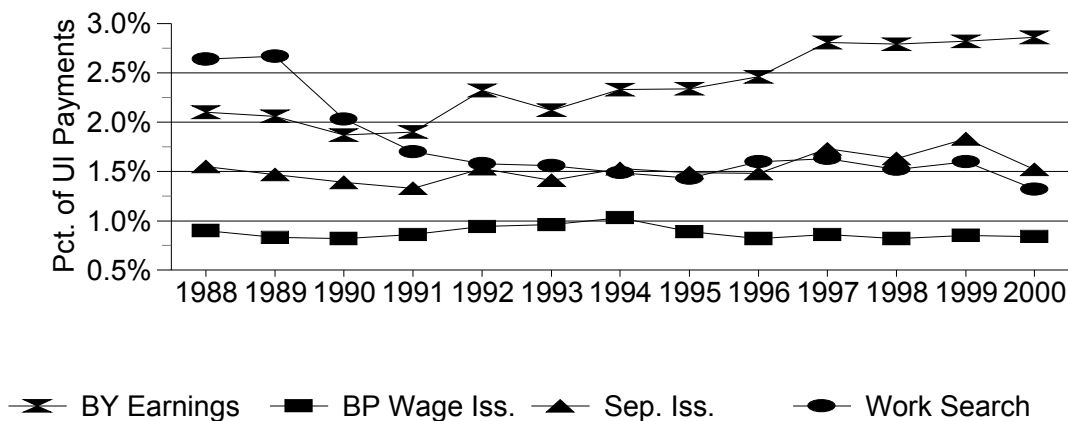
State	Pct. Point Decrease From CY 1999	Leading Cause of Decrease (Pct. Point Decrease)
Maryland	-5.72	Work Search (-7.85)
Maine	-4.62	Work Search (-4.70)
Indiana	-4.42	Separation Issues (-1.17)

### Overpayment Cause Trends

Since BAM began in 1988, the percentage of overpayments attributable to work search issues has decreased, while unreported or erroneously reported benefit year earnings have accounted for an increasing percentage of overpayments. The other two leading causes, separation and base period wage issues, have not significantly increased or decreased during the period 1988-2000.

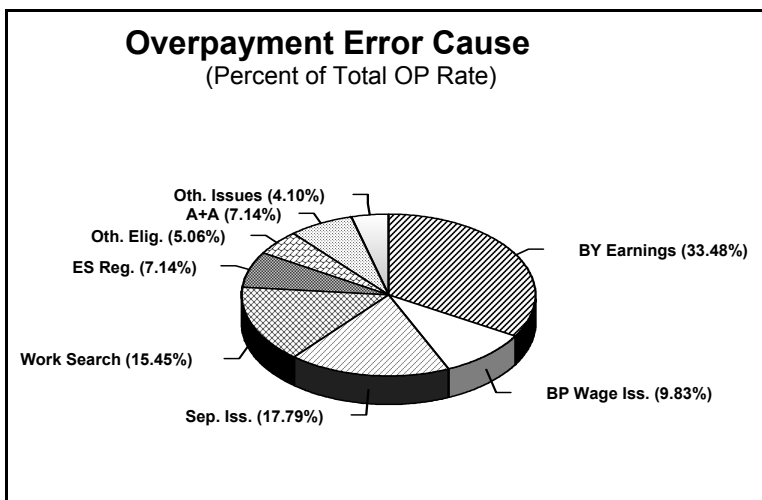
### Cause of UI Overpayments

CY 1988 - 2000 BAM Data



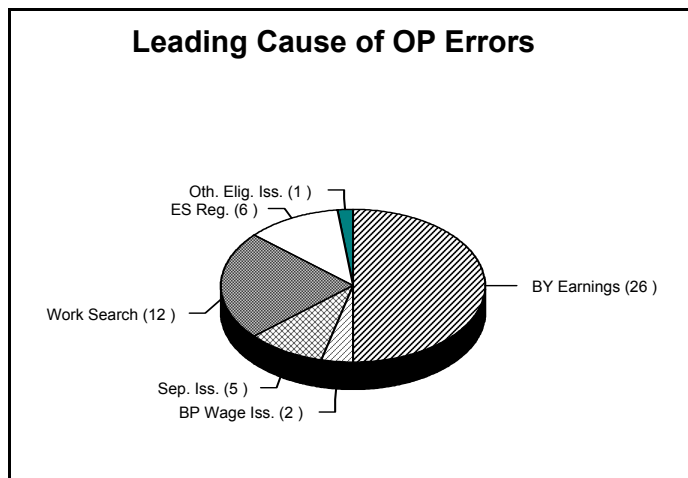
## Cause of Overpayments

The leading cause of overpayment errors was unreported or erroneously reported benefit year earnings, which accounted for approximately one-third of the \$1.72 billion overpaid and 2.86 percent of the \$20.175 billion in UI benefits paid in CY 2000. Separation issues accounted for the next largest percentage, nearly 18 percent of the amount overpaid and 1.52 percent of benefits paid.



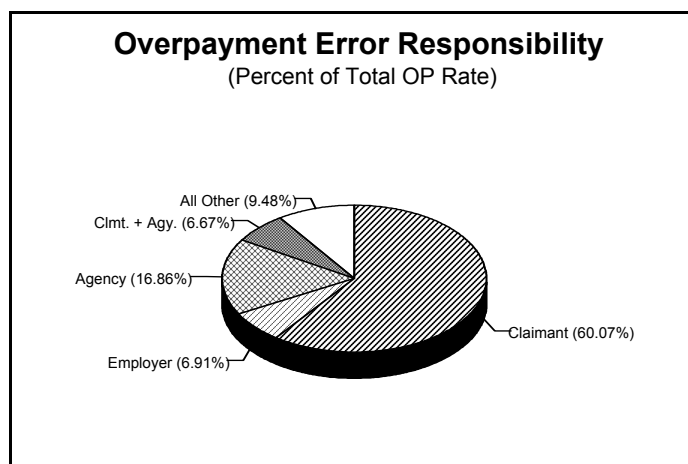
## Leading Cause of Overpayments by State

Unreported benefit year earnings or errors in reporting benefit year earnings were the leading cause of overpayment errors in half of the SESAs. Work search issues were the principal cause of overpayment errors in 12 States; employment service registration issues were the leading cause of overpayments in six States, and separation issues were the leading cause of overpayments in five States.



## Responsibility for Overpayments

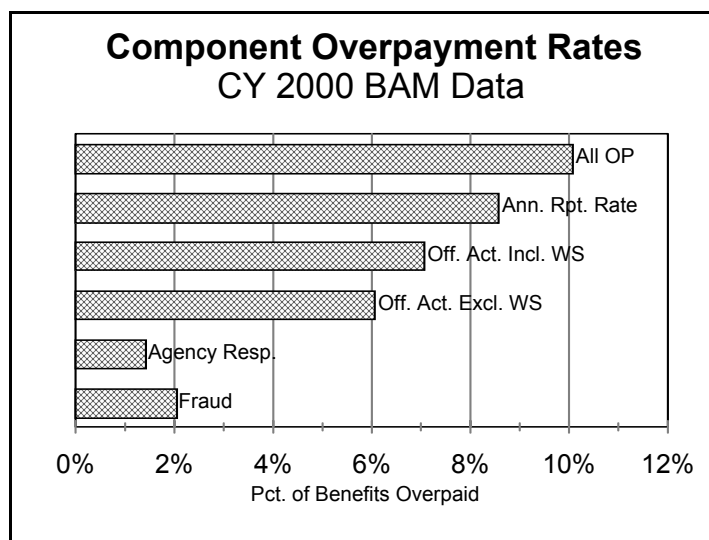
Claimants alone were responsible for overpayments representing 5.13 percent of total UI benefits paid in CY 2000; claimant responsibility accounted for 60.0 percent of the dollars overpaid. Errors resulting in overpayments that were attributed exclusively to the agency represented 1.44 percent of the UI benefits paid and approximately 17 percent of the amount overpaid.



## Component Overpayment Rates

The adjacent chart displays several BAM payment accuracy rates that can be useful in analyzing the components of overpayment errors.

- Fraud - all causes and responsibilities.
- Agency Responsibility - fraud, nonfraud recoverable overpayment, nonfraud nonrecoverable overpayment, or official action taken to reduce future benefits; agency is solely or partially responsible.
- Official Actions Excluding Work Search - fraud, nonfraud recoverable overpayment, nonfraud nonrecoverable overpayment, or official action taken to reduce future benefits; all responsibilities and causes, excluding work search issues.
- Official Actions Including Work Search - fraud, nonfraud recoverable overpayment, nonfraud nonrecoverable overpayment, or official action taken to reduce future benefits; all responsibilities and causes, including work search issues.
- BAM Annual Report Rate - fraud, nonfraud recoverable overpayment, nonfraud nonrecoverable overpayment, official action taken to reduce future benefits, and payments that are technically proper due to finality or other rules; all responsibilities and causes, including work search issues.
- All Overpayments - BAM Annual Report rate plus formal warnings of unacceptable work search efforts and overpayments established by BAM but officially reversed.



Two percent of the \$20.175 billion in UI benefits paid in CY 2000 were overpaid due to fraud. Overpayments for which State agencies were fully or partially responsible amounted to 1.4 percent of total payments. If BAM-identified overpayments that were determined to be technically proper due to finality or other provisions in State law are excluded from the BAM Annual Report rate, the national overpayment rate is reduced from 8.5 percent to 7.0 percent, and is further reduced to 6.0 percent if work search issues are excluded. If all types of overpayments, causes, and responsibilities are counted, the national overpayment rate is 10.0 percent of total UI benefits paid.

## Underpayment Rates

The national underpayment rate for CY 2000 of 0.85 percent was virtually unchanged from the 0.87 percent rate in CY 1999. An estimated \$172.25 million were underpaid in CY 2000, compared with \$171.1 million in CY 1999. The underpayment rate increased in 30 of the 52 SESAs in CY 2000, decreased in 21 States, and was unchanged in one State.

### Highest and Lowest Underpayment Rates

States With Highest UP Rates	CY 2000 UP Rate (Change from 1999)	States With Lowest UP Rates	CY 2000 UP Rate (Change from 1999)
New Jersey	2.11% (+0.35)	Kansas	0.08% (+0.01)
Delaware	1.95% (+0.46)	Florida	0.19% (-0.11)
Michigan	1.74% (-0.10)	North Dakota	0.21% (+0.02)
Iowa	1.70% (+0.54)	Missouri	0.25% (+0.12)
Massachusetts	1.48% (+0.21)	South Carolina	0.30% (-0.42)

- Errors in reporting or recording base period wages accounted for approximately 78 percent of the amount underpaid and represented 0.67 percent of the amount of UI benefits paid in CY 2000.
- Employers alone were responsible for approximately 48 percent of the amount underpaid, which represented 0.41 percent of the amount of UI benefits paid. Claimants alone were responsible for an additional 18 percent of the amount underpaid, which represented 0.15 percent of the amount of UI benefits paid.

The attached table summarizes the BAM data for CY 2000 and CY 1999.

Prepared by the Division of Performance Management on June 11, 2001

**UI Benefit Accuracy Measurement CY 2000 Data**  
**Rate Changes From CY 1999**

ST	2000 Compl. Cases	2000 Amt. Paid*	2000 OP Rate	1999 OP Rate	1999-00 Change	2000 UP Rate	1999 UP Rate	1999-00 Change
AK	486	\$100.8	8.93%	8.10%	.83	1.12%	.95%	.17
AL	506	\$193.4	6.11%	9.09%	-2.97	.36%	.26%	.10
AR	480	\$184.3	13.37%	10.69%	2.68	.48%	.75%	-.28
AZ	460	\$158.8	12.45%	9.99%	2.46	.44%	.35%	.08
CA	1,815	\$2,476.6	5.05%	5.91%	-.86	.56%	.58%	-.02
CO	474	\$145.3	16.27%	17.90%	-1.63	.50%	1.14%	-.64
CT	483	\$330.2	3.88%	3.81%	.07	.73%	.64%	.09
DC	365	\$53.2	14.17%	11.20%	2.97	.93%	1.21%	-.28
DE	370	\$64.5	11.50%	14.13%	-2.64	1.95%	1.50%	.46
FL	481	\$646.3	4.36%	7.08%	-2.72	.19%	.29%	-.11
GA	486	\$295.1	4.11%	3.33%	.78	.40%	.47%	-.08
HI	480	\$103.5	3.75%	4.09%	-.34	.68%	.71%	-.02
IA	480	\$214.7	9.38%	8.62%	.76	1.70%	1.17%	.54
ID	491	\$105.5	12.41%	13.77%	-1.35	.83%	.71%	.12
IL	720	\$1,227.3	10.42%	11.22%	-.80	.75%	.96%	-.21
IN	489	\$304.4	8.47%	12.90%	-4.42	.38%	.19%	.19
KS	503	\$157.8	17.32%	19.98%	-2.66	.08%	.07%	.01
KY	493	\$267.7	6.70%	6.12%	.59	.67%	.75%	-.08
LA	530	\$183.0	9.01%	9.12%	-.10	1.16%	.97%	.18
MA	486	\$790.1	4.39%	5.45%	-1.06	1.48%	1.27%	.21
MD	486	\$260.4	14.45%	20.16%	-5.72	.39%	.30%	.09
ME	489	\$72.9	19.85%	24.47%	-4.62	.72%	.55%	.17
MI	480	\$875.5	10.35%	11.00%	-.65	1.74%	1.85%	-.10
MN	477	\$393.5	10.39%	11.26%	-.86	.71%	1.15%	-.45
MO	479	\$308.3	6.58%	7.10%	-.53	.25%	.12%	.12
MS	480	\$123.2	15.04%	12.46%	2.58	.40%	.60%	-.20
MT	365	\$57.3	16.88%	16.37%	.51	1.46%	.97%	.49
NC	530	\$494.0	8.77%	12.48%	-3.70	.71%	.63%	.08
ND	365	\$32.9	3.38%	3.25%	.13	.21%	.20%	.02
NE	360	\$54.2	8.95%	6.24%	2.72	.54%	.28%	.26
NH	406	\$23.9	5.35%	5.88%	-.54	1.41%	1.14%	.28
NJ	478	\$1,095.2	6.76%	9.66%	-2.90	2.11%	1.76%	.35
NM	483	\$71.7	7.23%	9.69%	-2.46	.39%	.31%	.09
NV	486	\$202.6	9.85%	13.51%	-3.66	.54%	.35%	.18
NY	496	\$1,697.0	5.35%	4.56%	.80	.93%	1.20%	-.27
OH	491	\$690.6	13.42%	17.29%	-3.87	1.26%	1.19%	.07
OK	486	\$110.4	5.36%	2.99%	2.38	.57%	.79%	-.22
OR	495	\$385.3	5.41%	7.62%	-2.21	.62%	1.04%	-.43
PA	480	\$1,510.9	6.23%	6.06%	.17	.85%	.83%	.02

\* In millions of dollars.

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**UI Benefit Accuracy Measurement CY 2000 Data**  
**Rate Changes From CY 1999**

ST	2000 Compl. Cases	2000 Amt. Paid*	2000 OP Rate	1999 OP Rate	1999-00 Change	2000 UP Rate	1999 UP Rate	1999-00 Change
PR	477	\$222.2	8.46%	8.88%	-.42	1.45%	1.55%	-.10
RI	480	\$130.1	5.92%	4.87%	1.05	.54%	.38%	.15
SC	530	\$202.2	8.28%	10.12%	-1.84	.30%	.72%	-.42
SD	360	\$15.2	6.49%	7.97%	-1.48	.53%	.16%	.38
TN	481	\$358.4	6.30%	5.38%	.92	.56%	.26%	.31
TX	487	\$943.4	17.45%	18.91%	-1.46	.50%	.48%	.02
UT	360	\$109.1	12.74%	12.42%	.32	1.06%	1.37%	-.32
VA	529	\$179.2	17.91%	19.74%	-1.84	.71%	.49%	.22
VT	344	\$39.9	9.00%	10.26%	-1.26	.71%	.89%	-.19
WA	593	\$824.8	16.28%	12.65%	3.63	.64%	.71%	-.07
WI	488	\$545.3	8.24%	7.21%	1.03	.97%	.79%	.18
WV	480	\$117.7	3.11%	2.91%	.20	.65%	1.02%	-.37
WY	360	\$25.4	12.18%	7.18%	5.00	.97%	.97%	.00
US	25,859	\$20,175.0	8.54%	9.20%	-.66	.85%	.87%	-.02
Amt. Proper		\$18,452.7						
Amount OP		\$1,722.4						
Amount UP		\$172.3						

\* In millions of dollars.

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